



Wisconsin homestead credit Schedule H and instructions


'95

Don't Delay Your Refund

Avoid the following mistakes, which delay refunds (the instructions for these areas are highlighted with shading):

- Failing to submit a statement when the rent certificate shows more than 1 occupant (page 7)
- Failing to include the following:
 - Copy of federal tax return and schedules (with Form 1 or 1NPR) (page 1)
 - Property tax bills (page 6)
 - Copy of Wisconsin tax return (page 1)
 - Rent certificate(s) (page 6)
- Failing to explain other owners' names on tax bill (page 7)
- Submitting an altered rent certificate (page 6)
- Failing to attach a note when no lottery credit is claimed (page 6)

New Instructions

Some of the instructions in this booklet are new or have been changed. These instructions are highlighted with a  arrow.

FEDERAL PRIVACY ACT

In compliance with federal law, you are hereby notified that the request for your social security number on the Wisconsin homestead credit claim is made under the authority of Section 71.55(7) of the Wisconsin Statutes. The disclosure of this number on your claim is mandatory. It will be used for identification purposes throughout the processing, filing, and auditing of your claim, and in the issuance of refund checks.

Checklist:

Before mailing your claim, check the following -

- Is your mailing label (if you have one) attached to Schedule H?
- Are questions 1 to 8 on Schedule H all answered?
- Is ALL of your household income reported?
- Did you check the arithmetic?
- Are ALL applicable schedules on the back of Schedule H completed?
- Did you sign Schedule H?
- Is the envelope addressed to the address shown at the bottom of Schedule H?

Earned Income Credit

The Wisconsin earned income credit provides a direct benefit to working families with qualifying children. The amount of benefit available depends on your income and number of children.

To claim the Wisconsin earned income credit you must file an income tax return using Wisconsin Form 1 or 1A. If you need help to determine if you qualify, contact any department office.

Property Tax Deferral Loan Program

This loan program provides loans of up to \$2,500 to help individuals age 65 or older pay their property taxes. Qualified applicants may participate even if they receive homestead credit.

For more information about the property tax deferral loan program, or for loan application forms, you may write to Wisconsin Housing and Economic Development Authority, P.O. Box 1728, Madison, WI 53701-1728. Do not use this address for homestead credit purposes.



HOW TO RECEIVE HOMESTEAD CREDIT


To receive homestead credit you must meet all of the qualifications in Part D on page 2, and you must file a Wisconsin homestead credit claim (Schedule H). Meeting all of the qualifications and filing a claim, however, does not guarantee you will receive a homestead credit. The computation of a homestead credit is based on both household income and allowable property taxes or rent.

Index to Schedule H Instruction Booklet

Page	Page
AFDC	Income
2,5,8	3-6
Address, where to file	Marital property law
8	9,10
Annuities	Married during 1995
5	9
Assistance	Mobile homes
1	6
Attachments required	NLRR AFDC
8	2,5
Business use of home	Name and address area
8	2
Capital gains	Net operating loss carryforward
4	4
Capital loss carryforward	Ownership of homestead
4	7
Cash public assistance	Pensions
5	5
Checklist	Property Tax Deferral Loan Program
front cover	front cover
Computing your credit	Property taxes
8, 11, 12	6-8
Death of a spouse	Qualifications
9	2
Deceased claimant	Questions 1-8 on Schedule H
2,8	2,3
Deferred compensation	Railroad retirement benefits
4	4
Definitions -	Refund questions
Farm	1
Homestead	Rent, renters
1	6-8
Household	Rent certificate
1	following page 10
Household income	Rollovers
1	5
Dependent deduction	Schedule H
5	following page 2
Depreciation	Scholarships
3	5
Divorced during 1995	Separated in 1995
10	9,10
Earned income credit	Shared living quarters
front cover	7
Filing -	Sign your claim
How	8
1	Social security, SSI benefits
When	4
1	Special instructions
Where	9,10
8	Spouse died in 1995
Food stamps	9
5	Support payments
Foster care payments	5
2,5	Tables for computing credit
Fuel assistance	11,12
5	Tax bills
General relief	6,7
2,5	Taxable income
Grants	3
5	Tax-exempt housing
Homeowners	2,7
6-8	Tax-free exchanges
Household income	5
3-6	Telephone numbers
IRA, Keogh, SEP	1
4	Unemployment compensation
	5
	Where to file
	8
	Workers' compensation
	5

A. How and When to File

If you file a Wisconsin income tax return, you should file your homestead credit claim (Schedule H) **with** the tax return (stapled together), and mail both forms to the address shown on Schedule H. Separate filing could delay your homestead refund. If you (or you and your spouse) are not required to file a tax return, Schedule H may be filed by itself.

 The tax return your Schedule H is attached to must be a Form 1, 1A, or 1NPR; you cannot attach Schedule H to a Form WI-Z. If your Wisconsin return is a Form 1 or 1NPR, be sure to include a copy of your federal tax return and supporting schedules.

For most claimants, the deadline for filing a 1995 Schedule H is April 17, 2000. However, if you are a taxpayer with a fiscal taxable year (one ending on a date other than December 31), your deadline for filing Schedule H is 4 years, 3 1/2 months after the end of the taxable year to which the claim relates.

If you previously filed your Wisconsin income tax return and now wish to file a claim for homestead credit, write "Income Tax Return Previously Filed" at the top of Schedule H. **Attach to Schedule H a complete copy of your Wisconsin income tax return, Form 1, 1A, WI-Z, or 1NPR. Also attach a copy of your federal tax return and supporting schedules, if your Wisconsin return is a Form 1 or 1NPR. Write "Duplicate" at the top of the Wisconsin tax return copy.**

B. Questions About Refunds and Homestead Assistance

1. **Refunds** If you wish to contact the Department of Revenue about your **refund**, please wait at least **10 weeks** after filing your Schedule H. You may phone (608) 266-8100 (Madison) or (414) 227-4907 (Milwaukee). When calling, be sure to have your social security number and the dollar amount of your refund available.

If you prefer, you may write to:
Wisconsin Department of Revenue
P.O. Box 8903
Madison, WI 53708-8903

Please include your social security number on all correspondence.

2. **Assistance** For general information about homestead credit or for help in **preparing** Schedule H, contact any Department of Revenue office. The location and telephone number of the office nearest you are usually listed in your telephone book under Wisconsin, State of; Revenue, Department of. You may also phone (608) 266-8641 (Madison). Do not use this number for refund inquiries.

If you prefer, you may write to:
Wisconsin Department of Revenue
P.O. Box 8906
Madison, WI 53708-8906

Please include your social security number on all correspondence.

3. **TDD** Hearing-impaired people with telephone device for the deaf (TDD) equipment may contact the department by phoning (608) 267-1049 (Madison) or (414) 227-4147 (Milwaukee). These numbers may be used for both homestead credit assistance and refund inquiries.

C. Important Definitions

1. **Homestead** Your homestead is the Wisconsin home you occupy, whether you own it or rent it, and *up to one acre of land adjoining it (or up to 120 acres of land if the homestead is part of a farm)*. For example, it may be a house, an apartment, a rented room, a mobile home, a farm, or a nursing home room.

Unless your homestead is part of a farm, it does not include any part which is rented to others, used for business purposes, or a separate unit occupied by others rent free.

2. **Farm** Your homestead is part of a farm if the property was used for agricultural purposes either during 1995 or prior to 1995 and it has not been used since then for other purposes (such as recreational or manufacturing).
3. **Household** If you are single, you are considered a household, whether you live alone or with others. If you are married, you and your spouse are considered a household if you live together. If you are married but you and your spouse maintained separate homes on December 31, 1995, you are each considered a separate household.
4. **Household Income** Household income is all your income reportable for Wisconsin income tax purposes and all items specifically identified on lines 11a through 11h of Schedule H, less a deduction of \$250 for each dependent who occupied your homestead for more than six months during 1995. If you were married and lived with your spouse during all of 1995, you must combine your income and that of your spouse to determine your total household income. If during 1995 your spouse died, you became married or divorced, or you were separated from your spouse (including one spouse living in a nursing home), see the "Special Instructions" on pages 9 and 10 for information on how to determine household income.

D. Do You Qualify?

To see if you qualify for homestead credit, answer *Yes* or *No* to all of the questions in Steps 1 and 2 below.

Step 1

- a. Were you at least 18 years of age as of December 31, 1995?
- b. Were you a legal resident of Wisconsin for all of 1995?
- c. Was your household income (see definition C4 on page 1) for 1995 less than \$19,154?
- d. Were you the owner or renter of the Wisconsin homestead you lived in during 1995?

If you answered *No* to any of these questions, you do not qualify for homestead credit. If you answered *Yes* to all four questions, go on to Step 2.

Step 2

- a. Were you claimed or will you be claimed as a dependent on someone else's 1995 **federal** income tax return? (If you were age 62 or over on December 31, 1995, this limitation does not apply to you, so answer *No*.)
- b. Are you currently living in a nursing home and also receiving Title XIX medical assistance?
- c. During EACH MONTH of the entire 1995 year did you receive:
 - (1) AFDC (Aid to Families with Dependent Children) payments for your child, yourself, or your spouse, of any amount? (For purposes of answering this question, do not count either AFDC payments received **solely** for the care of a relative for whom you are not legally responsible [NLRR AFDC], or foster care payments.)

- (2) General relief payments of \$400 or more?

Note: If your answers for (1) and (2) are *No* but you received either of these benefits for PART of 1995, see Schedules 4 and 5 on back of Schedule H.

- d. Did you live FOR THE ENTIRE YEAR 1995 in housing that is exempt from property taxes? (A municipal housing authority property is not considered tax-exempt for homestead credit purposes if that authority makes payments in place of property taxes to the city or town in which it is located. If you live in public housing, you may wish to check with your manager.)

Note: If you are claiming property taxes on your former homestead (see paragraph 1 under "Exceptions: Homeowners and/or Renters" on page 7), this limitation does not apply, so answer *No*.

- e. Have you claimed or will you claim a Wisconsin farmland preservation credit for 1995?
- f. Has a 1995 Schedule H been filed by another member of your household (see definition C3 on page 1)?
- g. Is the Schedule H being filed on behalf of a person who is deceased?

If you answered *Yes* to any of the questions in Step 2, you do not qualify for homestead credit.

If you answered *Yes* to all of the questions in Step 1 and *No* to all of the questions in Step 2, complete Schedule H to see if homestead credit is available to you, based on your household income and your allowable property taxes and/or rent. Meeting all of the qualifications in Steps 1 and 2 does not guarantee you will receive a homestead credit.

Note: A homestead credit claim may not be filed on behalf of a deceased person. The claimant must be alive at the time the claim is filed.

Instructions for Schedule H**Name and Address Area**

If the cover of your Schedule H booklet has a removable mailing label with your name, place it in the name and address area of the Schedule H you file. If any information on the label is wrong, draw a line through the incorrect information and print the correct information on the label. If you are married, print your spouse's name and social security number on the label if that information is missing. Fill in your telephone number.

If your booklet does not have a label, fill in all information requested in the spaces provided on Schedule H. Include social security numbers of yourself and your spouse, if applicable. Also fill in your telephone number and tax district.

Lines 1 Through 8 - Questions

Fill in the information requested on these lines. Failure to answer these questions may delay your refund.

- **Question 1** Fill in your age as of December 31, 1995. Also, if you were married and lived with your spouse during all of 1995, and your spouse was age 65 or over as of December 31, 1995, check the box above question 1.
- **Question 2** If you are a student and you moved to Wisconsin from another state, you are not a legal Wisconsin resident if you are here for educational purposes

only and have not abandoned your other state's residence. If you are not a U.S. citizen, you are not a legal Wisconsin resident unless you are a resident alien for federal tax purposes **and** you do not intend to return to your homeland.

- **Questions 4 and 5** It is not necessary to answer question 4b or 5b unless question 4a or 5a is answered "yes."
- **Question 7a** If you became married or divorced during 1995, check "yes," fill in the date, check the appropriate box after the word "married" or "divorced," and see the "Special Instructions" on pages 9 and 10.
- **Question 7b** It is not necessary to answer question 7b if you were not married as of December 31, 1995. If one spouse is in a nursing home, you are considered to be maintaining separate homes, so answer "yes" to question 7b.

Lines 9 Through 12 - Household Income

The following instructions for lines 9 through 12 apply if during all of 1995 you were single, or married and living with your spouse. If during 1995 your spouse died, you became married or divorced, or you were separated from your spouse, read the "Special Instructions" on pages 9 and 10 before you complete lines 9 through 12.

Line 9 - Income From Tax Return

Fill in line 9 if you or you and your spouse are filing a 1995 Wisconsin income tax return with your Schedule H. However, first complete your income tax return through line 8 of Form 1A, line 5 of Form 1, or line 26 of Form 1 NPR, and fill in the amount from that line on line 9 of Schedule H.

Also fill in line 9 if you or you and your spouse have already filed your 1995 Wisconsin income tax return, and follow the instructions on page 1, Part A, paragraph 4.

If you were married and lived with your spouse all year, but you file separate Wisconsin income tax returns, fill in the combined income from your separate returns. If you complete line 9, do NOT fill in any amounts on line 10a or 10b.

Lines 10a and 10b - Taxable Income – No Tax Return

Fill in these lines only if you or you and your spouse are not required to file a 1995 Wisconsin income tax return. If you are married, combine the income of both spouses and fill in the totals. If you complete lines 10a and 10b, do NOT fill in any amount on line 9.

- **10a** Fill in the amount of wages, interest, and dividends in the spaces provided, and fill in the total of these amounts on line 10a.

- **10b** Fill in all other items of taxable income on line 10b, such as: taxable unemployment compensation; pensions and annuities; IRA, Keogh, SEP, and deferred compensation distributions; capital gains; alimony; and business, rent, farm, partnership, limited liability company, and tax-option (S) corporation income. If you fill in an amount on line 10b, attach a schedule explaining the sources of income and the amounts from each source.

Line 11a - Income Adjustments

Fill in Schedule 1 on back of Schedule H. Fill in the total from line 10 of Schedule 1 on line 11a. If you are married, combine the amounts for both spouses.

Schedule 1 - Income Adjustments

1 Partners, LLC members, and S corporation shareholders Fill in your distributive share of partnership, limited liability company (LLC), and tax-option (S) corporation depreciation, Section 179 expense, depletion, amortization, and intangible drilling costs. If the partnership, LLC, or tax-option (S) corporation did not claim any of these expenses, write "None" on line 1 of Schedule 1. To determine this you may have to contact the partnership, LLC, or tax-option (S) corporation.

2 Other depreciation, Section 179 expense, depletion, amortization, and intangible drilling costs Fill in any depreciation (excluding standard mileage depreciation), Section 179 expense, depletion, amortization, and intangible drilling costs claimed in computing Wisconsin taxable income. Do not include amounts already filled in on line 1 of Schedule 1.

Example: You filed a 1995 Wisconsin income tax return and claimed \$1,500 of depreciation as a farm expense on federal Schedule F. Fill in \$1,500 on line 2 of Schedule 1.

3 Standard mileage depreciation If you claimed the standard mileage rate of 30¢ per mile in computing your income on a business, farm, or rent schedule, a portion of the expense, 12¢ per mile, is depreciation. Multiply the number of miles claimed at the 30¢ per mile rate by 12¢, and include that amount on line 3 of Schedule 1.

Example: On a business schedule you claimed automobile expenses of \$1,500 (5,000 business miles times 30¢ per mile). Include \$600 on line 3 (5,000 miles x 12¢ per mile = \$600).

Exception: The 12¢ per mile income adjustment is not required for miles claimed after the adjusted basis of your car or truck reaches zero. If this applies to you, attach a note, explaining the situation.

Note: If you claimed car or truck expenses on federal Schedule C, C-EZ, E, or F, do one of the following:

- If you claimed actual expenses, write "actual" next to the deduction on Schedule C, E, or F, or near line 5a on Schedule C-EZ.
- If you used the standard mileage rate, write the number of miles next to the deduction on Schedule C, E, or F.
- If no standard mileage depreciation was claimed on your tax return, write "None" on line 3 of Schedule 1.

4 Capital gains not taxable Include the 60% capital gain exclusion on assets held more than one year, plus any other nontaxable capital gains.

Example: You reported net capital gains on assets held more than one year of \$3,000 on federal Schedule D. In computing Wisconsin taxable income, you subtracted \$1,800 ($\$3,000 \times 60\%$) of this gain. Include on line 4 of Schedule 1 the \$1,800 of capital gains not included in taxable income.

Principal residence gain exclusion Fill in the gain from the sale or exchange of your principal residence excluded under the one-time exclusion available to persons age 55 or older. Attach a copy of federal Form 2119.

5 Contributions to Individual Retirement Arrangements (IRAs) and Simplified Employee Pension (SEP), Keogh, and deferred compensation plans Fill in contributions to these plans which you deducted or excluded from income on your income tax return (do not include rollover contributions or nondeductible contributions).

Note: Your IRA deductions are reported on lines 23a and 23b of federal Form 1040, or on lines 15a and 15b of Form 1040A. SEP and Keogh deductions are reported on line 27 of Form 1040. Excludable deferred compensation is generally reported in box 13 of your wage and tax statement, Form W-2, and should be preceded by the prefix D, E, F, G, or H.

6 Nontaxable interest on United States Government securities, and state and municipal bonds Fill in any nontaxable interest received on securities of the federal government or any of its instrumentalities, such as U.S. Savings Bond interest, interest on Treasury Notes, etc., and on nontaxable state and municipal bonds, such as Higher Education Bonds.

7 Net operating loss carryforward and capital loss carryforward Fill in any net operating loss carryforward or capital loss carryforward (net operating loss or capital loss incurred in a prior year and not used in that year to offset taxable income) deducted in computing your 1995 Wisconsin taxable income.

Example: You have a \$2,000 capital loss carryforward from 1994 to 1995 and a \$1,900 capital gain from the sale of stock in 1995. On Schedule WD, you compute a \$100 net capital loss deduction (\$2,000 carryforward less \$1,900 gain). Fill in \$2,000 on line 7 of Schedule 1 (the \$1,900 loss offset against capital gain, plus the \$100 loss applied against other income).

8 Income of nonresident or part-year resident spouse Fill in the income of your nonresident or part-year resident spouse for the time you resided in the same homestead.

Example: You are a full-year resident of Wisconsin and your spouse is a nonresident of Wisconsin. Your spouse earned income of \$5,000 in 1995 which is not taxable by Wisconsin. You and your spouse resided in the same homestead during 1995. Fill in \$5,000 on line 8 of Schedule 1.

Income from sources outside Wisconsin Fill in the income you received from sources outside Wisconsin which was excluded from Wisconsin taxable income.

Example: While a nonresident of Wisconsin, you sold property located outside Wisconsin on the installment basis. In 1995, you are a Wisconsin resident. The gain on the sale of property located outside Wisconsin, sold while you were a nonresident, is not taxable to Wisconsin for income tax purposes. However, it must be included in household income on line 8 of Schedule 1.

9 Resident manager's rent reduction, clergy housing allowance, and nontaxable Native American income Fill in the amount that a resident manager's rent is reduced in return for services, the nontaxable housing allowance provided to a member of the clergy, and the total amount of nontaxable income of a Native American.

■ Lines 11b Through 11h - Other Income

Fill in all other income received in 1995 from any of the sources indicated. If you are married, combine the incomes of both spouses and fill in the totals for each category. Do not include amounts already included on line 9 or 10b.

- 11b Unemployment compensation** Fill in the total amount of unemployment compensation you received in 1995 which was not included elsewhere.

Note Both taxable and nontaxable unemployment compensation must be included in household income.

- 11c Social security, SSI, and railroad retirement** Fill in the total amount of social security and railroad retirement benefits received in 1995, including the amounts deducted for Medicare premiums. The Medicare premium deductions per person for 1995 were \$46.10 per month or \$553.20 for the entire year.

Include supplemental security income (SSI) and any social security death benefit (\$255) received. However, do NOT include social security payments to your children or Title XX benefits (payments for services).

If you or your spouse are age 65 or over and received no social security, SSI, or railroad retirement benefits in 1995, attach a note stating that you did not receive any income from any of these sources.

- **11d Scholarships, fellowships, grants, and military compensation** Fill in the total amount you received in 1995 for nontaxable scholarship and fellowship income (for example, books or tuition), educational grants, or nontaxable military benefits (for example, VEAP payments or G.I. Bill benefits). Do not include student loans or amounts included elsewhere.

- **11e Pensions and annuities** Fill in the GROSS amount of ALL pensions and annuities received in 1995. Include veterans' pensions, disability payments, any amounts you contributed to a pension fund, and nontaxable IRA, Keogh, and SEP distributions.

Note Both taxable and nontaxable amounts must be included in household income.

Exceptions: Do not include on line 11e any amounts which you have already included on another line.

Also do not include rollovers (amounts you transferred from one plan to another) or a Section 1035 exchange (a tax-free exchange of insurance contracts).

Note If all or a part of a pension or annuity distribution in 1995 includes a rollover amount or a tax-free exchange, write "Rollover" or "Tax-Free Exchange" near line 11e, and attach a copy of your Form 1099-R.

Determine the amount to fill in on line 11e as follows:

1. Total amount received in 1995. _____
 2. Total amount reported on line 9 or 10b. _____
 3. Rollover or tax-free exchange. _____
 4. Line 1 minus lines 2 and 3. _____
- Fill in on line 11e. _____

Example: In 1995, you received pension income of \$3,500, \$2,700 of which is taxable income and is included on line 9. No portion of the \$3,500 was a rollover. Fill in \$800 (\$3,500 - \$2,700) on line 11e.

- **11f Workers' compensation, income continuation, and loss of time insurance** Fill in the total amount you received in 1995 from these sources.

- **11g Support money and maintenance payments** Fill in the total amount of any court ordered support payments you received in 1995, including child support and family maintenance, but not foster care, voluntary support, or amounts included elsewhere.

- **11h AFDC, general relief, and other cash public assistance** If you received any AFDC payments, payments for the care of a relative for whom you are not legally responsible (NLRRAFDC), general relief payments, or other cash public assistance payments in 1995, fill in the amounts on the applicable line of Schedule 4 on back of Schedule H, and fill in the total on line 11h. Do not include the following: a prior year's homestead credit; nontaxable foster care; gifts; food stamps; nontaxable community options program (COP) payments; or fuel or energy assistance which is paid to a fuel supplier or utility, or which is provided under the federal Low-Income Home Energy Assistance Act.

Note If you fill in amounts on Schedule 4, you may also need to complete Schedule 5. See paragraph 5 on page 8.

- **Repaid amounts** Nontaxable income which you received and included in household income in a prior year and were required to repay in 1995 may be subtracted from household income on your 1995 Schedule H. Subtract the amount repaid on the household income line of Schedule H to which the repayment relates. Attach an explanation indicating the amount of the repayment and the year you received and included the income on a homestead credit claim.

Example: You filed a 1994 Schedule H and reported \$8,000 of social security benefits received in 1994. In 1995, you received social security benefits of \$9,000 but were required to pay back \$2,000 of the social security benefits you received in 1994. On line 11c of the 1995 Schedule H, fill in \$7,000, the social security received in 1995 (\$9,000) less the amount repaid (\$2,000).

- **Note:** If you have very little or no household income to report on Schedule H, attach a note explaining how you paid your rent or property taxes. If you received loans (including student loans) or gifts, indicate the approximate amount received, but do not include the amounts in household income.

■ Lines 12a Through 12c - Total Household Income

- **12a** Fill in the total of lines 9 through 11h.
- **12b** You may claim a "dependent deduction" by filling in the number of "qualifying dependents" and multiplying that number by \$250. A qualifying dependent is a person who: a) qualifies as your dependent for **federal** income tax purposes; and b) occupied your (the claimant's) homestead for more than six months during 1995.

In determining how long a dependent occupied your homestead, a dependent is considered to have occupied your homestead during temporary absences for reasons such as school, illness, or vacations.

A dependent who does not meet the six months' occupancy requirement is still considered to have occupied your homestead for more than six months in 1995 if:

- a) the dependent was born or died during 1995, and he or she occupied your homestead during the entire time he or she lived in 1995; or
- b) during 1995 the dependent was adopted by you, was placed with you for adoption, or became your stepchild, and he or she occupied your homestead from that date to the end of 1995.

Caution: The term "dependent" does NOT include you or your spouse. Do not count yourself or your spouse in the number you fill in on line 12b.

- **12c** Subtract the amount on line 12b from the amount on line 12a, and fill in the total on line 12c. This is your total household income.

Lines 13 and 14 - Property Taxes and Rent

Read the instructions below which apply to you. Also read the "Exceptions," which explain limitations on allowable property taxes or rent which may be claimed for homestead credit.

When used below, "allowable property taxes" means the net taxes after state aids, school tax credits, and the lottery credit (if applicable). Allowable property taxes do NOT include any special assessments, special charges, delinquent interest, or woodland, forest croplands, or managed forest land taxes.

If during 1995 your spouse died, you became married or divorced, or you were separated from your spouse, read the "Special Instructions" on pages 9 and 10 before you complete lines 13 and 14.

Homeowners Your property tax bill must show the name of the owner(s), valuation of land and improvements, legal description, and taxes before and after state aids and credits.

If the property tax bill for your homestead does not show any lottery credit, and you did not and will not claim a lottery credit, attach a note stating that you are not receiving a lottery credit for 1995.

If you or you and your spouse lived in your homestead during all of 1995 and were the sole owner(s), fill in on line 13 the allowable property taxes from your 1995 tax bill(s). **Attach to your Schedule H a copy of the 1995 property tax bill(s) (payable in 1996) for your homestead.**



Attach the actual tax bill copy. A mortgage statement, canceled check, county tax receipt, installment tax stub, etc. cannot be accepted.

In certain cases you must reduce your taxes or attach additional information to your Schedule H. See the exceptions described under "Exceptions: Homeowners Only" and "Exceptions: Homeowners and/or Renters," on pages 7 and 8.

Renters Only rent paid for 1995 may be used in determining your homestead credit.

DO NOT CHANGE any of the information on the rent certificate your landlord has prepared for you. The department will not accept altered rent certificates. If any information has been or needs to be changed, your landlord must prepare a new rent certificate.

If heat was included in your rent, fill in the amount from line 13a of the rent certificate(s) in the space provided on line 14a of Schedule H. Multiply that amount by .20 (20%) and fill in the result on line 14a.

If heat was not included in your rent, fill in the amount from line 13a of the rent certificate(s) in the space provided on line 14b of Schedule H. Multiply that amount by .25 (25%) and fill in the result on line 14b.

A separate rent certificate must be completed for each homestead for which you are claiming 1995 homestead credit. **Attach to your Schedule H the rent certificate(s) completed and signed by your landlord(s).**

In certain cases you must reduce your rent or attach additional information to your Schedule H. See the exceptions described under "Exceptions: Renters Only" and "Exceptions: Homeowners and/or Renters," on pages 7 and 8.

Mobile Home Owners and Renters If you OWNED and lived in a mobile home in 1995, fill in on line 13 the allowable property taxes from your 1995 personal property tax bill (payable in 1996). Write "mobile home" on the tax bill and attach it to Schedule H. If you owned the land on which your mobile home was located, fill in on line 13 the 1995 allowable property taxes for the land and attach a copy of that tax bill. Also fill in on line 13 any 1995 municipal mobile home parking permit fees you paid to the municipality (or to the owner of the land if you rented the land).

If you RENTED a mobile home in 1995, or if you rented the land on which your mobile home was located, attach a completed rent certificate. In the space provided on line 14a or 14b of Schedule H, fill in the rent from line 10b or 13a of the rent certificate. As a renter of a mobile home, any mobile home taxes, mobile home parking permit fees, or municipal fees you paid may only be claimed as rent.

In certain cases you must reduce your taxes and/or rent or attach additional information to your Schedule H. See the exceptions described under "Exceptions: Homeowners Only," "Exceptions: Renters Only," and "Exceptions: Homeowners and/or Renters," on pages 7 and 8.

Exceptions: Homeowners Only

1. If you received or will receive a lottery credit for 1995 separately from your property tax bill, you must subtract the lottery credit from the amount shown on your property tax bill. Attach a note indicating the amount of the lottery credit.
2. If you owned your homestead with others in 1995, use only that portion of the property taxes which reflects your percentage of ownership, unless one of the following situations applies: a) the other owner was your spouse who lived with you during all of 1995; or b) you inherited a partial ownership interest and are required by the terms of the decedent's will to pay all of the property taxes. If situation a) applies, you may use all of the property taxes. If situation b) applies, you may use all of the property taxes from the date of the decedent's death; submit a copy of the will to verify that you are required to pay all of the property taxes.
3. If there are names on the property tax bill other than yours (or your spouse's if you were married and lived together during all of 1995), attach a **copy** (not the original) of a document showing your ownership percentage, such as a deed, land contract, divorce judgment, final judgment in an estate, or trust instrument.
4. If you were married but lived apart from your spouse for any part of 1995, see the "Special Instructions" on pages 9 and 10.
5. If you sold your homestead during 1995, use only that portion of the property taxes prorated for the time you owned and occupied it. Submit a copy of the closing agreement from the sale, to verify the date of sale. Also submit a statement indicating the date you moved.
6. If you owned and lived in two or more homesteads in 1995, prorate the taxes on each for the time you owned and occupied it. Claim a total of only 12 months of property taxes.
7. If you submit two or more property tax bills for one homestead, attach a drawing showing the description, size, and location of each parcel.

Exceptions: Renters Only

1. Only rent paid for 1995 for a homestead subject to property taxes may be claimed, unless the property is owned and operated by a municipal housing authority which makes payments in place of property taxes to the municipality.
2. If your landlord provided food, medical, or personal services, such as laundry, transportation, counseling, grooming, recreational, or therapeutic services, your rent must be reduced by the reasonable value of these items. Your landlord will do this when filling out your rent certificate.

3. If the number of occupants on line 11d of the rent certificate is more than one (your spouse and minor children should **not** be counted), and each occupant did not pay an equal share of the total rent on line 11c, you must do the following. Attach a statement showing the names of the other occupants and the amount of shared living expenses (rent, food, utilities, supplies, etc.) each occupant paid. Claim only the portion of the rent which reflects the percentage of the total shared living expenses that you paid.



Note Example: You and your roommate paid shared living expenses of \$8,000 as follows:

Total Expenses	You	Roommate
Rent \$4,800	\$4,800	---
Food 2,400	1,200	\$1,200
Utilities 600	---	600
Supplies 200	---	200
TOTAL \$8,000	\$6,000	\$2,000

Your landlord filled in the entire rent of \$4,800 on line 11e of the rent certificate, because you paid all the rent. However, since you paid only 75% of the total shared living expenses ($\$6,000 \div \$8,000 = .75$), you may use only 75% of the rent paid for occupancy to determine your homestead credit.

4. If you are claiming rent paid for more than one homestead for 1995, submit a separate rent certificate for each homestead. If you paid rent for two homesteads for the same time period, claim only the rent for the one you actually lived in. Do not claim more than 12 months of rent.
5. If your landlord refuses to sign your rent certificate, complete lines 1 through 13b on the rent certificate. Fill in -0- on lines 12a and 12b of the rent certificate if the items listed were not provided by your landlord. Write "Landlord Refuses to Sign" at the top of the certificate. Attach it, along with copies of your canceled checks or money order receipts.

Exceptions: Homeowners and/or Renters

1. If you have moved from a homestead that you owned to tax-exempt housing and have tried to sell your former homestead, you may claim the property taxes on the former homestead while you still own it, for up to 12 months from the date you moved, provided: a) the tax-exempt housing you moved to is not a municipal housing authority making payments in place of taxes, or a correctional or detention facility; and b) you do not rent or lease your former homestead to another person. If your claim is based on this provision, attach a complete explanation.

2. If you were both a homeowner and a renter in 1995, you may claim both property taxes for the time you owned and lived in the home, and rent for the time you lived in the rented property. Do not claim more than 12 months of property taxes and rent.

3. If you claim a total of less than 12 months of property taxes and/or rent, attach a note to your claim explaining where you lived for the balance of 1995.

4. If you moved during 1995, attach a statement showing the dates you lived at each dwelling during 1995.

5. If you received AFDC for your child, yourself, or your spouse in 1995, or if you received general relief of \$400 or more in any month of 1995, fill in Schedule 5 on back of Schedule H to compute your reduced property taxes or rent.

6. If your home was on more than one acre of land and was not part of a farm (see definition C2 on page 1), complete Schedule 2 on back of Schedule H. You may claim only the property taxes on your home and one acre of land.

7. If your home was part of a farm (see definition C2 on page 1), you may claim property taxes on up to 120 acres of land adjoining your home. If the farm included more than 120 acres, use only the property taxes relating to the 120 acres adjoining your home and all improvements on those 120 acres. If you were a renter, your rent is also limited to 120 acres of adjoining land. Do not claim property taxes or rent for land which does not adjoin your home.

8. If your home or property was not part of a farm and was not used solely for personal purposes, you must allocate your 1995 property taxes or rent between personal use and the following other uses: a) business or rental use for which a deduction is allowed or allowable for federal income tax purposes; and b) a separate unit occupied by others rent free. Examples of part business use include 1) having a store or office in the same building or on the same property as your home, 2) using one room of your home exclusively for storing products you sell, and 3) providing child care for others in your home. Complete Schedule 3 on back of Schedule H, and claim only the personal portion of the taxes or rent on line 13 or line 14.

Example: During 1995 you owned a duplex and lived in one of the two equal-sized units. Total 1995 allowable property taxes on the duplex were \$1,500. Claim \$750 of the property taxes ($\$1,500 \times 50\%$) on line 13, whether the other unit is rented out, available for rent, or used by others rent free.

Example: In 1995 you used one room of your five-room house exclusively for business. Total 1995 allowable property taxes were \$1,300. One-fifth (20%) of the total taxes

are for business use. Claim \$1,040 of the property taxes ($\$1,300 \times 80\%$ personal use) on line 13.

9. If your home or property was not part of a farm but was on more than one acre of land and was used partly for purposes other than personal use, as described above, you must complete both Schedule 2 and Schedule 3 on back of Schedule H. Fill in the amount from line 9 of Schedule 2 on line 1 of Schedule 3.

10. If you file a federal Schedule C, C-EZ, or E, be sure to list on each schedule the address of each business or rental property.

Lines 16 Through 19 - Computation of Credit

Refer to the 1995 Homestead Credit Computation Tables on pages 11 and 12 to determine your homestead credit. If you want the Department of Revenue to compute your credit, do not complete these lines. The department will notify you of the amount of your credit.

Sign and Date Your Claim

Be sure you (and your spouse if residing together) sign and date your Schedule H, at the bottom. A claim may not be signed for or filed on behalf of a deceased person. The claimant must be living at the time the claim is filed.

Attachments Required

You must attach to your Schedule H ALL of the following items that pertain to your homestead credit claim:

- Copy of your 1995 property tax bill(s)
- Rent certificates(s) completed and signed by your landlord(s)
- Your 1995 Wisconsin income tax return (see "How and When to File" on page 1, Part A, paragraph 4, if you already filed your tax return)
- All of the explanations, notes, schedules, etc., referred to in the instructions.

Where to File

Mail your Wisconsin income tax return and Schedule H **together** (or Schedule H by itself, if no income tax return is required), along with all of the required attachments, to:

Wisconsin Department of Revenue
P.O. Box 34
Madison, WI 53786-0001

Do NOT mail Schedule H to any of the other addresses shown on the income tax return. The Quick Refund Program is not available for homestead credit claims. Also, homestead credit claims may not be filed electronically.

Be sure you keep a complete copy of your Schedule H and all attachments, for your records.